

COCHIN LEGISLATIVE COUNCIL PROCEEDINGS.

OFFICIAL REPORT OF THE BUDGET SESSION OF 1113.

Thursday, 21st July 1938.
6th Karkadagam 1113.

The Council met in the Council Hall, Ernakulam, at eleven of the Clock with the Hon'ble the President (SIR SHANMUKHAM CHETTY, K. C. I. E.) in the Chair.

Messrs T. K. Nayar, L. M. Pylee, and Ismail Hajee Issa Sait were absent.

QUESTIONS AND ANSWERS.

DEBT CONCILIATION BOARD—APPLICATIONS RECEIVED.

63. Mr. V. J. Mathai: (a) How many applications have been received by the Debt Conciliation Board up-to-date;

(b) will the Government be pleased to state as to how many of such cases have been conciliated and how many rejected?

Mr. K. P. Kannan Nayar : (a) 691.

(b) 37 cases fully conciliated, 20 in part, and 455 disposed of without effecting any settlement, under the various categories mentioned in the answer to question No. 64.

64. Mr. T. P. Poullose: Will the Government be pleased to state:—

(a) how many applications for settlement of debts the Debt Conciliation Board has received since its constitution;

(b) how many applications are now pending before the Board;

(c) how many applications have been disposed of without effecting a settlement;

(d) the number of cases in which the Board has been able to effect settlement;

(e) the number of cases in which the Board has extended the period for effecting settlement under Act, XXIII of 1113?

Mr. K. P. Kannan Nayar :

(a) In 1112. In 1113 till 19th Mithunam 1113.

203. 488.

691 applications.

(b) 217.

(c) Fifty-nine applications have been dismissed for technical default, 276 for default on the part of debtor-petitioners and 120 after entering into the merits, thus amounting to 455 applications.

(d) Eleven cases were compromised at the instance of the Board, agreement effected in 2 cases and full conciliation effected in 24 cases, thus aggregating to 37 applications. Certificate has also been issued in one petition. Part conciliation in another 20 cases has also been effected.

(e) Two.

65. Mr. A. V. Moothedan : Will the Government be pleased to state :—

(a) whether they are aware of the fact that section 17 of the Debt Conciliation Act, as it stands, would cause great hardship to several petitioners before the Debt Conciliation Board;

(b) have not the Government received representations and petitions about this grievance;

(c) was any relief granted to the debtor-petitioners affected by section 17?

Mr. K. P. Kannan Nayar : (a), (b) and (c). Government have received certain representations in the matter and they were pleased to amend the section giving the Board power to extend the time by a period not exceeding three months if the Board is satisfied that there would be reasonable chance of a settlement if the period is so extended.

Mr. President : Give answers to all these questions, and supplementary questions will be put for all these questions together.

Mr. V. J. Mathai : Is it not a fact that unless the Debt Conciliation Board is given power to scale down debts there will not be much use.?

Mr. President : It is a matter of opinion. You cannot question on matters relating to opinion.

Mr. K. M. Ibrahim : Has not the Board already got the statutory powers to scale down?

Have not, Sir, the Government felt the necessity of making the award of the Boards binding.?

Mr. K. P. Kannan Nayar : There is a settlement that is registered and that is all that the Board does.

Mr. K. M. Ibrahim : Should not that be made the final award without any right of appeal?

Mr. K. P. Kannan Nayar : So far as that settlement is concerned, I do not know whether there is a right of appeal given by the statute.

Mr. K. M. Ibrahim : In the regular course it can be appealed against.

Mr. K. P. Kannan Nayar : Under the Debt Conciliation Act there is no appeal.

Mr. K. M. Ibrahim : If an agreement is reached at, all the parties who are not parties to this particular agreement can go to a civil court and make an appeal against it.

Mr. President : Are we discussing the provisions of the Debt Conciliation Act?

Mr. K. M. Ibrahim : I am making a suggestion to make it more efficient.

Mr. President : The hon'ble member must understand that the question time is for eliciting information.

Mr. K. M. Ibrahim : We can make suggestions.

Mr. President : We are discussing practically the provisions of the Act.

Mr. A. V. Moothedan : May I know whether the Board has recommended some suggestions for improving the Act?

Mr. K. P. Kannan Nayar : Yes.

Mr. A. V. Moothedan : May I know what are the suggestions?

Mr. K. P. Kannan Nayar : For extending the time they made a suggestion.

Mr. A. V. Moothedan : Were any other suggestions made for the better working of the Act?

Mr. K. P. Kannan Nayar : I am not aware whether any other suggestion was made.

Mr. C. R. Iyyunni : May I know whether question No. 64, Answer (c)—‘120 after entering into the merits’—those applications have been dismissed for default after entering into the merits or on the merits.

Mr. K. P. Kannan Nayar : On the merits.

Mr. C. R. Iyyunni : So it means 120 were dismissed after entering into the merits and 276 were dismissed for default on the part of the debtor-petitioners?

Mr. K. P. Kannan Nayar : Yes.

Mr. P. Govinda Menon : Has the Government any information about the number of cases in which the Board has given certificates to the Debtors under the Act?

Mr. K. P. Kannan Nayar : Yes. Certificate has been issued in one petition.

Mr. A. V. Moothedan : Considering that only 37 cases could be disposed of by the Board is it not a very low figure when compared with the 691 applications. Is there a suggestion to make it better and more useful?

Mr. K. P. Kannan Nayar : The hon'ble member will understand that many of the petitions were dismissed for default. That clearly shows that they were not properly prosecuted. There was no substance in those petitions. They put in a petition and walk away.

Mr. A. V. Moothedan : Supposing they are restored subsequently?

Mr. K. P. Kannan Nayar : If they have been restored they will be considered on their merits.

Mr. A. V. Moothedan : Only 37 cases are settled. That is not even 5 per cent. Is it satisfactory?

Mr. V. J. Mathai : May I make a suggestion that it will be more useful if the power of scaling down is also given to the Debt Conciliation Board?

Mr. K. M. Ibrahim : I do not get an answer to my question whether the Government have thought of the necessity of making conciliation compulsory.

Mr. K. P. Kannan Nayar : That means you want compulsory conciliation?

Mr. K. M. Ibrahim : If the Board comes to an award saying that a reasonable offer has been made by the debtor, in that case even if the creditor is recalcitrant the award must be binding.

Mr. K. P. Kannan Nayar : It is binding. There is the provision.

Mr. K. M. Ibrahim : Even if the 50 per cent of the Creditors do not agree?

Mr. C. R. Iyyunni : He will be granted a certificate and in that case if a reasonable offer is made and the creditors are recalcitrant the debtor-petitioner is given a certificate that he will be free from arrest.

Mr. V. J. Mathai : Secured debtors cannot be arrested at all.....

Mr. President : The House is obliged for the information.

Mr. A. V. Moothedan : Are the Government aware that in many cases a settlement is not effected for want of cash. Is it a fact?

Mr. K. P. Kannan Nayar : We have no information.

Mr. A. V. Moothedan : Have the Government made any enquiries into the subject that settlement is not effected for want of cash?

Mr. K. P. Kannan Nayar : So far as the working of the Board is concerned, it has lasted for a year now and the Diwan Peishkar, I understand, has made an inspection of the working and the Government are awaiting his report.

Mr. A. V. Moothedan : Even realizing that settlements are not reached for want of funds the Government are keeping quiet doing nothing.

Mr. K. P. Kannan Nayar : Does the Hon'ble Member think that the Government ought to find cash?

Mr. A. V. Moothedan : I suggested a practical suggestion. The Land Mortgage Bank should advance money.

Mr. K. M. Ibrahim : Have the Government noted a point, Sir, that the Madras Legislative Council that was passing the recent Debt Relief Bill had given a unanimous consent as an alternative to the recent Debt Relief Act the process of compulsory conciliation would be sufficient for them. What I mean to say is even those people who are against such an active agriculturists' protection admit the necessity for compulsory conciliation. Have the Government noted the importance of that, Sir? Will they be pleased to take some sympathetic action in that matter?

Mr. President : Government have noted the hon'ble member's words.